

**Narrator:** Robert Paterson (RP)

**Company Affiliations:** N.M. Paterson & Sons—Marine Division

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**Summary:** Former CEO and executive vice president of N.M. Paterson & Sons' Marine Division Robert Paterson discusses his and his family's deep connection to Canada's grain industry. He surveys his movements within the family business from office boy in Thunder Bay to payroll administrator to clerk and company representative in Montreal. He describes the company's various cargos, their interactions with the Paterson Grain Division, and their communications with Winnipeg Charterers. He recalls his father's sudden passing and his own ascendance to CEO and vice-president of the marine division. He describes the Thunder Bay office, the other senior management and their responsibilities, the daily monitoring of ships and their movements, and interactions with Lake Shippers Clearance Association. Paterson recounts his major responsibilities for government lobbying, marketing the company, and travelling to meet customers. He describes the business's major changes through the '80s and '90s, like building and purchasing ships, weathering the grain industry's downturn, downsizing offices, and selling his shares in the marine business. He recounts his interactions with various organizations, like the Canadian Ship Owners Association, the Canadian Lake Carriers Association, the railways, the Canadian Wheat Board, and other shipping companies. He shares vivid memories from his career, like of securing a long-term contract for steel handling, of the *Windoc* accident, and of his late grandfather. Other topics discussed include the changes to telecommunications, ship inspections, competitor shipping companies, ships in the deep-sea business, the history of the company, the creation of the Paterson Foundation, the lack of government support for the Great Lakes industry, and Paterson's continued growth as a company in Canada.

**Keywords:** N.M. Paterson & Sons—Marine Division; Grain transportation—ships; Great Lakes trade; Lakers; Bulk carrier vessels; Administrative clerks; Ship's pilots; St. Lawrence Seaway; Country grain elevators; Paterson Grain; Terminal grain elevators—Thunder Bay; Paterson Elevator; Richardson Main Elevator; Canadian Wheat Board; Winnipeg Charterers; Lake Shippers Clearance Association; Ship inspection; Government lobbying; Government regulations; Marketing; Ocean-going vessels; Canadian Ship Owners Association; Ship building; Downsizing; Ship accidents; Canadian Lake Carriers Association; Labour unions; Canada Steamship Lines; Misener Steamships; Upper Lakes Shipping; Hall Corporation; *MV Paterson*; *Comeaudoc*; *Ontadoc*; *Windoc*; *Soodoc*; *Cartierdoc*

## Time, Speaker, Narrative

EE: It is a pleasure to sit with you here, Robert, in the Board Room what was N. M. Paterson & Sons Marine Division. Could I ask you to begin by introducing yourself and telling us briefly how you got involved in the grain trade?

RP: I am Robert John Paterson and I started with N. M. Paterson & Sons Limited back on April 5, 1971. I came to the business almost by default out of first year university where I was not fairing that well, so I was offered a job here as office boy, and I took it immediately, and here I remained until I ceased to be a share owner of the company, a shareholder, in the early 2000's.

EE: There is about a 30-year period during which you were active in the grain trade in shipping?

RP: I was active for about 33 years, and I spent my whole career in the marine side of the business. Of course we were selling freight to grain companies, but I was not involved in the other division situated in Winnipeg, the grain division.

EE: It is obvious who you worked for during this time. It was the family business. That didn't change in its structure particularly during that period of time I don't suppose?

RP: No, it didn't. There was only one change prior to me and that was the transfer of ownership from my grandfather, the late Senator Norman McLeod Paterson, to my dad, the late John Norman Paterson and my uncle the late Donald Savigny Paterson, post Second World War. They took over the operation of the business of course with their father looking over their shoulder every waking moment of every day from his office in Ottawa. The next change in ownership came with the passing of my father in 1981 at which time my brothers and I became the owners of 50 percent of the business.

EE: Inevitably if you started as an office boy and ended up as the CEO of the division, your work assignments changed significantly over that time. Do you want to sketch the stages in that, and of course you mentioned the ownership and your father's passing as part of that?

RP: When I started here, and I can't actually remember how many ships we had, but we had I think between 16 and 20 ships still operating at that point. I am going to say 16, but it was probably a bit more than that. I was thinking about that this morning. I couldn't remember the number to be honest with you. We operated basically out of two offices, Montreal and Thunder Bay. Montreal ran what we called the lower lakers, and they did all of the East Coast business, and they made contact with a lot of non-grain shipping companies. Whereas Thunder Bay really interfaced through Winnipeg Charters and Winnipeg, grain business, as shippers. What I did simply as office boy was that I made tea and coffee at coffee breaks morning and afternoon plus did the

clerical work and worked on payrolls, whatever reports that were mandatory annually that needed to be filed, I worked on those, working on the number of hours each sailor worked in the year, which had restrictions on them. It was all things like that. I was not really involved with purchasing or accounting to the extent of payables and receivables. I was really doing clerk's work at that point.

EE: Familiarizing yourself inevitably with how the business operated?

RP: Yes, more from a pencil pushing point of view than from a freight booking or an actual ship operating point of view. My father was in the office here, upstairs. The office was divided between downstairs and upstairs. Upstairs was the mind and management of the company and the people that did the marketing and actually ran the ships and positioned the ships and booked the freight. Downstairs was all of the other clerical and accounting and backup that was required to do that kind of work—payroll in particular, which was most important for the ships.

Then in 1972, one year later approximately, the fellow that was heading payroll was transferred to Montreal, a man named Morris Crack was moved to Montreal. I moved more into payroll, and I won't say I took over, but I moved more into actually working on the payroll, which was quite a complicated affair in those days. It was not computerized obviously in 1972, but computers were coming in that decade. We eventually did end up being computerized to some extent on payroll. It was not an uncomplicated move, but I can't give you the technical background of what happened there. Then in 1973 my father came downstairs one day and said, "Go to Montreal tomorrow." That was in July of 1973. "Go to Montreal tomorrow. You are being transferred to live there and work in the office in Montreal at the end of the summer." That is how I ended up in Montreal.

EE: How long were you there?

RP: I was in Montreal from 1973 until the death of my father. My father died in August of 1981, and I remained in Montreal. I was married and had bought a house, and I moved back and drove back here with my pregnant wife and dog just after Christmas. I was here for the New Year. I bought a house here and took up residency back in Thunder Bay and moved into my father's office.

EE: In 1982?

RP: Yes, it would have been January 1982 that I was back and established in Thunder Bay.

EE: Your father's passing was unexpected and early?

RP: Yes, it was before his 61st birthday, so it was quite premature.

EE: Your expectation would have been that he would continue running things overall. Were you in charge of the Montreal office?

RP: No, I was not. When I moved to Montreal in 1973, there was a man named Fred Dunwell that was just retiring at the time, and then the office was going to be taken over by Bill Rattray, who was my boss for the whole time I was there. Bill had some health issues when I got there in 1973, and Fred came back into run the office from retirement while Bill had his bypass operation and mended and then came back and then Fred re-retired. Fred had followed a man named Ira McEwen. Both Fred and Ira had been transferred there many years before back probably in the 1940s from this office.

The office in Montreal certainly had a Thunder Bay or a Fort William, Port Arthur flavour in those days. The evidence of the McEwen family is still around the city, i.e. Bob McEwen who owns Ham Optical is a distant cousin or nephew of Ira, who was quite a famous individual in the industry in his day. Bill Rattray married his daughter—Ira McEwen's daughter, Jessie—so Bill has a bit of a familial connection through marriage.

I quite enjoyed working with Bill and for Bill. He was a very knowledgeable man in the business, and he was a great charter-hire contract man and freight booker. He really knew his contracts and knew the capabilities of the ships, and he knew the industry. He was the person you could learn an awful lot from, watching him puzzle through problems with charter hirers and/or freight contracts and dealing with lawyers when it was necessary to get the right wording. Lots involved in doing that.

When I was in Montreal again, I was doing clerk's work, basically processing pilotage invoices. You always had to match up the source forms that would come in from the captains with the pilot invoices that we would receive from the Laurentian Pilotage Authority. You always had to balance the source forms with the pilotage invoice and make sure it was exact. We didn't like pilotage anyways, so we wanted to make sure we were not paying an extra penny. It was serious business.

EE: Every mile on the way along the river!

RP: That's right. Fighting pilotage since 1903. [Laughs]

EE: You continued doing this kind of work all the way through to 1981?

RP: I did do that, and I travelled a bit. I would have to travel. We had a ship down in Sorel, down at Quebec Iron Titanium. That ship would be loading pig iron for let's say Toledo. Pig iron was a raw steel product in ingots that was deemed to be a raw material

for Seaway toll purposes. In other words, finished steel commanded a certain toll or cost in lockage fees or Seaway fees or Seaway tolls, but pig iron didn't. It had another name. I can't remember what that was now. They didn't want us referring to that and didn't really like the name "pig iron" but it seemed to suit the purpose. We would load that in Sorel.

What I would have to do is go to Sorel. They would be clearing for the United States port when they left Sorel, so I would have to go down there and process all the paperwork and take the captain and the first mate up to the customs office and make sure all the papers were--. And just basically be the owners representative.

With a small office in Montreal of about seven people, our two shore superintendents were there and our deck superintendent Captain Charlie Beaupre was a 50-year man. We created a new position while I was there for a shore engineer, a man named Dieter Bachman did that. It became necessary because for a long time one person did as we use to say "both ends of the ship," but now because it just got a little more technical we brought in a more technical person to deal with the engine room and the engine room personnel.

Morris Crack was there with me and two secretaries. It was a small office. Bill Ratray booked freight and made customer contact. I started travelling to Cleveland to start meeting people in the industry and putting a face to a name. With the name Paterson, people liked to deal with the owners or sons of owners, I guess, and I always found that was a benefit.

EE: The pig iron was returned traffic. It helped to defray the costs of getting the ships back up to the Lakehead.

RP: It might not have been because it was going on smaller ships. It wasn't going on ships that were trading up to Thunder Bay. It was going on ships like *Hamildoc*, *Prendoc*, *Soreldoc* and *Labradoc*, et cetera, that had about between 48 and 5,500 dead weight tonne capacity. So they were small ships that could actually go anywhere in the world. These ships would trade in road salt out to Newfoundland and all the out ports. We would carry milling wheat or feed wheat out to Robin Hood out in Newfoundland, out to Long Pond.

We would carry product from the Alcan up to the Saguenay River. We would carry fluorspar, which is used in the aluminum smelting trade. We would take fluorspar from some port in Newfoundland up the Saguenay River. We would do things like that and trade in the St. Lawrence a lot. Prior to the advent of cheap labour from third-world countries, we could compete with Canadian crews at Canadian costs and keep ships running in the winter to carry paper from Cranbrook for Quebec City, for Bowater, for Price and whatever the paper companies were in those days down to South America.

EE: The marine division was doing significant business quite aside from the grain trade on the Upper Lakes?

RP: Yes. The marine business in those days, we really coined the shipping business. The marine division is the “cash cow” of the company. Part of that was due to the fact that even though—if you look at the grain division—we had a large primary elevator system across Western Canada, primary elevators in those days were feeder systems to terminals. We didn’t have a terminal in Vancouver. We obviously had a terminal right outside the window here on the Kaministiquia River, but that terminal was demolished in 1979, and we then entered into a terminal agreement with Richardson’s. We then had terminal space and terminal revenue through this agreement in both Vancouver and in Thunder Bay. That was where a good infusion of the cash came from in the grain division. Primary elevators didn’t really make a lot of money. They were a service to the farmer.

EE: Would there be in fact a market setting, thanks to the Pools, which were interested in service and costs? Did the line elevator system Paterson’s then have to conform to the same kind of system, would you say? I might be pushing it.

RP: I don’t think so, and I don’t know that much about how the Pool system worked. We were competitors with the Pools, as a private company. In the grain division out at say Indianhead Saskatchewan or Binscarth or wherever, you tried to be everything. In attracting the farmer, you had to sell him inputs. You had to sell him chemicals, inputs, seed and whatever. He wasn’t just delivering. He was also coming to pick up, and you had to price that competitively. All of that was difficult business because of the vagaries of the grain industry. You carry lots of inventory, but you may not move it.

EE: I guess I am suggesting that the Pools may well have been the price setters, establishing the umbrella for the industry, so Paterson’s was forced into accepting similar conditions and costs?

RP: Yes, I think the CWB was the price setter.

EE: Yes, the CWB is ultimately the price setter in 1935 and onwards.

RP: In the grain division, that is really what we did. We didn’t own grain. We took delivery of grain, predominately on behalf of the Wheat Board. The farmer would deliver his grain. We would grade it and issue a cash ticket based on that grade, and we would do everything we could possibly do to make sure that grade didn’t deteriorate while it was in the elevator before the Wheat Board then called for shipment of that particular grade of grain to either Vancouver or Thunder Bay.

EE: The Montreal office in which you worked through the 1970s, or a good part for about eight years or so, did it have involvement with the grain trade as well as this other business that you were describing a few moments ago with the smaller vessels?

RP: We did interface. The Wheat Board had an office in Montreal for a long time. We knew the people in that office. We were always meeting with them, keeping contact with the Eastern Wheat Board Office as well as with Robin Hood as well as with Bunge Elevator in Quebec City—Jean-Guy St. Onge who I believe is still there—and probably had a customer relationship with Cargill, although it is a long time ago now. I don't remember all of the companies.

If somebody needed help from Winnipeg, our interface with the grain industry in Winnipeg was a company called Winnipeg Charterers Limited run by, when I first started, run by Ken Jones with a backup named Kurt Bennett. Then Ken retired and Kurt took over that office, until we finally closed that office, sadly. What Winnipeg Charters did was they were the ones that booked the annual contract with the Wheat Board, filled space when we had some required back hauls, and made contracts with Cargill, tried to do some business with Richardson's, and dealt with Robin Hood in Minneapolis. Really from a chartering standpoint and finding Cargill grain cargo standpoint that is what Winnipeg Charters did. The big play was in Winnipeg.

EE: Was it essentially a branch of this office then?

RP: Charters?

EE: Yes.

RP: Yes, more so this. It really didn't have anything to do with the grain division other than that it shared office space and it was economical to be--. At the beginning of my time, it was alongside the Paterson office in the old Grain Exchange Building in Winnipeg on Lombard. It was not a part of the office at all. It was quite an interesting set up. They dealt with us.

EE: It was your presence in Winnipeg then?

RP: It was our presence in Winnipeg but not really in the Paterson name. It was in the Winnipeg Charters name. There seemed to some advantage when dealing with certain grain companies or the Wheat Board to not possibly have the Paterson name there. I don't remember the history of how Charterers came about, but it might have been an existing company that was bought by my grandfather in order to do what I said, what was needed to be done by that company. We always dealt with Charterers every day. It was a daily conversation in this office with that agent in Winnipeg.

EE: Of course, when you came here early in 1982, you became immediately involved and responsible in a sense for all these things?

RP: I did. I was very lucky and the company was lucky to have had still quite a depth of management where I did not, A, presume to know it all and, B, to be really the boss of those senior managers that had spent a lifetime here, like Jim Sutherland, like Pat Doherty. Jim was really the person that saw us through the premature loss of my father through the 1980s until his retirement. Jim was well known in the industry and just had that keen sense of what to do in any situation—a person like me could learn from. Also Pat Doherty being the same. I was very fortunate to have a depth of management that allowed me to just ease into the situation.

The irony of this is that near the end of my time in Montreal, I had actually spoken to my dad and said, “I would like to come back to Thunder Bay to learn from you.” I had not seen my father that much. I had been away at private school and back here for a couple of years and had now been in Montreal for eight years. I really didn’t see my father very much in my youth, although lots of fond memories. But I was away a lot right from the age of 13. At that point I thought, in my mid to late twenties, I thought I could control my own destiny. I would make a pitch to come back to Thunder Bay. My father’s answer, I thought, was quite funny because it wasn’t what I was saying. “Well, I am not prepared to give up my desk yet.” I wasn’t presuming to come back and take his position.

EE: You were being groomed to fill that at some point?

RP: I guess so. By the time my father died, I had 10 years in the company and obviously there was some good fortune there to have had some continuity in that. It ended up that I took my father’s desk in 1982 for a whole bunch of different less fortunate reasons.

EE: Yes, of course.

RP: It worked out. One of the last things he said to me—he chose to spend his last days in Florida, and we were down visiting knowing the cancer was going to take him at any time, and people were coming to visit to say goodbye to him—he said to me at one point he said, “You know, don’t worry Rob because it will all work out.” And he said, “When you lose something here, you get it back there.” He was right.

Say we had a long-term iron ore customer out of Cleveland, and they suddenly decided to change carriers. You would think it was the end of the world, and five years later they would come back, and you would get them back. Things were very cyclical in that sense. Things did come back. I always remembered his words.

You really had to be a long-term thinker in this business. You could not be a short-term thinker at all. You really had to be able to not worry about one year not as good as the previous, and what would the next year bring. You did worry about those things, but



you really had to be a long-term thinker in the grain business and the iron ore hauling business—the vagaries of world markets, economies, steel production, and car sales. Car sales were the big weathervanes.

EE: I dare say! You were mentioning a couple of the men who worked for you here and with you. Would you talk your way through the organization chart in a sense or the upper parts of-- Not so much perhaps in what the title of these men were, but what exactly their responsibilities were and how you worked together to carry out the business of N. M. Paterson & Sons Marine Division?

RP: When I came back here, Jim Sutherland was the general manager of the marine division. We didn't have lofty titles in those days, but the general manager was the pinnacle position for any non-family member. It carried a lot of responsibility. Jim oversaw the whole operation of the marine division and made any major financial decisions. I think the general managers had a lot of sway to make—a lot of latitude to make—financial decisions. Obviously certain financial decisions had to go to the quite small board of directors who only met perhaps once a year at that time. The managers in either division had a lot of latitude to make decisions.

Jim would oversee the operation. He would make sure and oversee the production of all the financial results at the end of each month. He would write a report to the board for the operations of the division for the month in question. He made sure that the office manager downstairs had the personnel that he needed to fulfil the functions that were required—payables and receivables, payroll and any other kind of clerical work, accounting, assistant accountants that sort of thing.

It was a much bigger office at one time, when we had the grain elevator terminal here. This was actually a smaller building in those days with more people in it. The general manager basically oversaw not just the day-to-day but also carrying out if there was a management plan, he would carry out the management plan.

EE: He was involved with the shipping movement obviously, but the movement included this terminal elevator and that was also his responsibility then, was it?

RP: I think it probably was. But despite the fact that the elevator was operated in my whole time leading up to 1979, it was operated by Richardson. There was an agreement that it was run by Richardson. The whole Paterson terminal operation in this building really ceased to exist while I was here. I never saw the operation as a fully-managed terminal from this building by Paterson. There was a 10-year arrangement with Richardson to run the facility here as one of their terminals. Hence where we got this terminal revenue-sharing agreement from with them, which gave us a presence in Vancouver.

EE: Their staff and their elevator manager and the workforce and all of that that was all Richardson's responsibilities?

RP: That was all separate and apart from us.

EE: It was?

RP: There was a sharing of revenues for the building was what the deal was.

EE: Yes.

RP: Then there was Pat Doherty. Pat was the traffic manager. His involvement was dealing with where the ships were for every single day and what their ETA into port was and making sure depending on what day it was or if it was a weekend making sure overtime was ordered, making sure that if overtime was ordered was it required, dealing with the captains, dealing with any problems they may have had, making sure that he is in touch with Winnipeg Charterers all the time in conjunction with the general manager. They would probably sit in his office and do it together, making sure there was freight booked.

So the traffic manager really would be dealing with the ports at the ends where the ships were calling in either load or unload and dealing with the line up everyday. We would have, for example, a line up of 20 ships—upper lakers and lower lakers—where are they? The *SS Paterson* down bound, Welland Canal, 06:00, for Quebec City, ETA 19:00 on the 9th. Then on that line up, you would put out probably show three more cargos then going to Quebec City and then going to Sept Iles to load ore for Cleveland and then Thunder Bay for Lower St. Lawrence, that sort of thing. That had to be updated every single day, where these ships were going and distributed to all those people that needed to see like Lake Shippers Clearance Association, for instance, who needed to see what the Paterson line up looked like and when we had ships due back here, so they could start to slot them in. It was just a big coordination of the movement of these ships.

EE: Could this be done largely by telephone, or did you have radio connections as well or more sophisticated ones as the years past?

RP: A lot of it in my time would have been done by telephone, ship-to-shore of course, back in the 1970s. The captain could phone the office, and in turn we could phone the ship. It wasn't easy. It wasn't always foolproof technology, but it was the technology of the day, and it seemed to work quite well.

When we got the line up, we had a teletype system. We had a teletype in Winnipeg and a teletype in Montreal and a teletype in Thunder Bay and a teletype in my grandfather's office in the Senate. It was a CN/CP open line, 24/7, 365 days a year, any day or night just get on and type. That message would be typed out in only those three other offices. That was how a lot of the

communication was done. It was how I learned to hunt and peck—sending the line ups to Montreal every morning. My grandfather was alive in the 1970s, and he would see these messages, and the people here would see. We would always send the lower, the ships we were responsible for in Montreal, we would send them. We would contribute our part to the line up. The line up would get printed here. Then it would be sent out and then we would Gestetner off line-ups and distribute them.

EE: Do you remember your grandfather offering advice and responding to the messages coming into his office in the Senate?

RP: Yes, you would actually see all of that. It was interesting because every message that was sent from my grandfather from NMP. Everything was done in letters NMP to JMP. Jim Sutherland was JNS to KJ to PD. WCR to Bill Rattray. Everything was always done by the initials. You would see every communiqué that was sent. You could always see what was going on. It was a pretty effective way to do business.

EE: I expect it would be. Was it continued into the 1990s?

RP: It ended about 1980. About that time, we started to see fax machines. I always remember a CN/CP coming. We had the last one in the world. We were the last open line of this kind of anywhere, certainly in the country. They came and begged us to get rid of it, because it wasn't giving them the return and technology was changing. They said go to a fax machine. We are thinking, how can live without teletype? What is a fax machine? A facsimile, what is that?

EE: My memory is that Western Union lost over half of its business in 1987, when the teletype was effectively displaced by fax machines, and they began searching for other businesses. I am curious in that kind of a context than you were being approached by CN/CP Telecommunications earlier in the 1980s then to consider a fax machine?

RP: I think it was earlier. My recollection it was starting while I was still there. It seems to me that I was still there when we were phasing out the teletype and going to a fax machine. I was still in the Montreal office so that would have been through 1981, so it was right about then if I am right.

EE: I had dealings with the Ministry of Northern Affairs about 1983, and these new-fangled, as it seemed to me, facsimile machines were available, and the paper would appear etc. This was still pretty high tech. But five years later, of course, it was becoming quite general with faxing machines.

RP: That paper in those days, everything disappeared in about a year and a half, right? So it wasn't very good paper.

EE: It was indeed! One of the other questions, since we are talking about these ships this return traffic, I guess as a farmer's son I have often wondered this. The grain is clean when it goes into the ships, which have been carrying iron ore. What is the reality of the cleanliness of the grain when it ends up coming out of one of these ships that has done a return business out of Sept Iles to Cleveland or whatever?

RP: It is a good question, and you will get an answer you are not expecting, I think. When a ship would present itself in Thunder Bay to load grain, it would be inspected by grain inspectors, and they would either pass a ship or not pass a ship. What would fail the ship was grain. Grain left up in the coamings, grain that had been sprouting. It had nothing to do with iron ore. Pellets were not an issue. There were probably no pellets in the hold anyway. It was dirty grain, and dirty grain attracted bugs. If there was any kind of residue, as I say up in the coamings or anywhere, you would have to clean it all out before you could load grain. Grain was the big bugaboo for grain.

EE: Then there would be grain up at the top more likely than stuff at the very bottom of the hold where the iron ore residue might be left?

RP: Right, and most of that is out. The way they unloaded iron ore was interesting. Iron ore being so dense, that when you load 25,000 tonnes of iron ore, you would have little peak piles down in each hold. They would only take up about 20 percent of the hold space, if that, because of the density of them. If you put 25,000 tonnes of wheat you are right up to the coamings. The way they would unload the ore, they would just clam it out. But then they would have little front-end loaders down there, and they would move into a pile, and eventually men would go down and sweep it up and put the last into the bucket or the clam and away it would go.

EE: The haul might be relatively clean than?

RP: Yes. On the way back up here they would hose the holds down and prep it for presentation here to be inspected to get the certificate to load the grain.

EE: You did ballast between Cleveland and the Lakehead? Water?

RP: Yes, water ballast. Double-hull became a buzzword later on with worldwide tanker problems. Although these lakers were double hulled because of ballast tanks. We needed to ballast. A lot of those older lakers, like the *Commeaudoc*, had a tunnel system where you could walk from the aft end to the forward end through a tunnel. You did not have to go above deck because they were all doubled hulled.

EE: When the ship was full of grain, you could still walk through the tunnel?

RP: Yes, and if it was inclement weather or whatever you could actually stay inside and walk back for your meal, from the forward end.

EE: In the organization chart here and these are interesting pieces for our--.

RP: In my day then, there would be an assistant traffic manager. When people showed a potential, they would be promoted from downstairs to upstairs to then start to follow the traffic manager. The traffic manager was always in place to become the general manager. That was the natural flow. Then the assistant traffic manager would be there learning from the traffic manager. That person would then be dealing with more internal issues of reporting, making sure the right information, reporting was coming from downstairs up and probably more than that but that is what comes to mind for me at the moment.

In my father's office--. When I came back, I was a vice-president of N. M. Paterson & Sons Limited. I became executive vice-president of the company. As in my father's day, the job of the executive vice-president or the vice-president was to be involved with lobbying. We had an association of ship owners in Ottawa that would always liaise with Transport and whomever, dealing with regulations with coast guards. So we would always be dealing with the loftier, more political issues. That was the job of my dad, and it was what I did.

I don't know if I did more than my father did, but I did a lot of marketing. I did a lot of travelling to visit customers abroad. I would go overseas with the right people with me. It was always in January that we would be renewing our hull and machinery insurance. Everything was up for review every year, our P&I, our hull and machinery. We would have to put all that insurance in place for the coming year for the opening of the Seaway in late March, early April. The person in my dad's office, being my father or me, didn't spend as much time on the day-to-day things. We relied on the people like Jim Sutherland and Pat Doherty to do. At coffee break, I always went in and sat with Jim and had a coffee, and went through everything with him, and listened to him, and took advice from him.

EE: That was a common corporate structure if you have a large development division, the central or general office the operations take place, but there are the decisions capital investment is the ultimate decision of course, but as you were saying the lobbying and the sales, the contacts and [inaudible]. To what extent on these sales trips were you working with the CWB or complementing, supplementing, going beyond it in seeking markets?

RP: There were not that many markets. The grain side was pretty much looked after by Winnipeg Charterers. But obviously every once in a while, I would go and meet with the Chief Commissioner of the Wheat Board or the top traffic person at Cargill or Robin Hood or wherever. The fellow in Winnipeg Charterers always wanted to have that support—certain times of the year to have the owner come along and meet and get to know the owner. That happened, but that obviously wasn't a weekly or monthly thing.

The marketing I did was more with the steel companies, the iron ore, to try and book the iron ore. I used to go and walk Euclid Avenue in Cleveland in February. What a wonderful time that was in Cleveland! To visit all the existing steel companies and Interlake, Republic, Pickands Mather, Ana, the companies that would be bringing ore for their mills from the lower St. Lawrence from the Iron Ore Company of Canada that they all owned a piece of, out of Seven Islands. I would go every year and see who was booking what and what was happening, and try to renew contracts, try to establish new contracts.

In my era I was quite lucky Pat Doherty and I went one year to do the same thing to pound on the doors of steel companies in Cleveland on Euclid Avenue or thereabouts. Our last call of the day was probably with Inter Lake Shipping Company, which we had had a long relationship with them anyway, which I can go back on which is how we got into the shipping business in the first place. We went to see a couple of fellows there. They were not really booking any lower St. Lawrence, or they were taking it from the head of the lakes, up here from Silver Bay area or wherever which was business we didn't do. That was all Jones Act business. That was all US ports to US ports. It was all US ships that did that.

EE: You were excluded from that?

RP: Excluded from doing that. Anybody in the world is excluded from doing that. The last thing that one of the fellows said, "Do you know Duke Lacompte? I said, "I have never heard of him." He said, "He is with Bethlehem Steel and over in the Illuminating Building, and we hear he is looking to change carriers, and he wants bulkers." It was after 4:00 in the afternoon and we were tired. In those days, you could not stay in downtown Cleveland because it wasn't safe, and there were not really any acceptable hotels. It was really the bottom of the downtown of Cleveland.

I was there long enough to see the renaissance of Cleveland, but we stayed out at the airport, the John Hopkins Airport. They had a John Hopkins Hilton or something out there. So we'd stay out there and take the rapid transit in every morning. It was rainy and we were tired, and we thought, well, we had better make this call. We made the call off the cuff, and we ended up doing business with this man for 13 years after that! They were importing Brazilian ore for certain manganese content for their mill over in Quebec City. So we carried all that ore for 13 years and built ships on the weight of that contract and bought ships on the weight of that contract. There were heady days in my time a third generation to have done that business which really did carry us a long way through the '90s as well.

EE: [Inaudible] grain trade obviously, but what was your competition like in this business? The Canada Steamship Lines, I suppose, was in competition with you or you were in competition with them?

RP: We were in competition then--. There were some self-unloader companies. The predominant self-unloader companies that we were not competing with, because we did not own self-unloaders, was Algoma Central Railway, Canada Steamship Lines, Upper Lakes, and, when Hall Corporation was around, they had one self-unloader, the *Halifax*. That was four companies that were all competing with each other in the self-unloader trade, but they also all had bulkers. We were a bulker fleet. We were competing certainly with Misener, Canada Steamship Lines, Upper Lakes Limited, Hall Co., Degagne to a lesser extent. I am trying to think of the names of other companies.

EE: Smaller operators.

RP: Pearson, Sioux River Line which was owned by a nephew of the Misener family, Harry McCullough. I can't remember the name of his company now. That's terrible. But there were probably eight to ten companies of different sizes that we were competing with in bulker iron ore up bound and grain down bound. It wasn't a big market, so it was somewhat cutthroat. It prevented rates from growing. It was very difficult to grow rates. The Wheat Board was fair in one respect but always dictated the rate on behalf of the farmers, what that freight rate was going to be.

It was difficult. We had labour costs going up, and we might have fuel costs going up and we might have per tonne rate from the Wheat Board going down year over year. So it was difficult. It was difficult through the '80s. We had a drought in 1989. It was competitive. It was very competitive. You really didn't want to trust too many people at certain times. You had to be careful. By the same token I mentioned earlier that we had an association office in Ottawa, so even though we were all competitors we would all sit around the table four times a year as a board of directors which was the Dominion Marine Association became the Canadian Ship Owners Association. We would all sit around as fellow directors and talk about common issues, but we would all sit in a corner, with our back in a corner. [Laughing]

EE: Such as the Wheat Board's price for the movement?

RP: We would talk about those things and obviously we could not be a cartel, and we couldn't price fix or anything like that. But sometimes there was always the thought to try to go to the Board as a common front or try to do something to do to get the rates up, but it was risky business with other people.

EE: What was your sense of how the rates were set by the CWB? What were the detriments? You were saying they were dropping at certain times when your costs were going up. Were they inattentive to your costs?

RP: They were not inattentive. I think they looked at what was produced. They looked at the quality, the grade of what was produced. They looked at the world price. They looked at what the farmer could bear. Our rate was a price to the farmer. What could he bear? The Wheat Board would take a whole number of different things into context and then come up with a rate and say, "Here is your rate." They were a monopoly position. They were the big shipper. We didn't want to make the big shipper mad. So you really didn't have a lot of leverage with them. You really couldn't walk away from them. We used to call it price fixing in reverse. That was a comment I heard made a few times, perhaps tongue-in-cheek, perhaps not. Nonetheless they had some way of explaining the rate to us. But at the end of the day, they were pretty much in control of whatever number they put on the table to us anyway.

EE: They didn't drive any of you into bankruptcy?

RP: No. The people who went bankrupt managed to do that on their own by overextending themselves. We were quite lucky. As I said, we had that Bethlehem contact that really did us a great service and helped us survive. The '80s were a very interesting time for this company. It really actually strengthened our company. I would like to talk about that actually because it was really my time in the company.

EE: Why don't you expand on that? I was exploring the organization of the company, but you are becoming more and more effective, I expect, as the leader of it?

RP: Prior to 1985, we only had one full Seaway size ship, which was the *Comeaudoc*, which is a 730-foot ship. In fact, the *Comeaudoc* was built by Canada Steamship Lines back in 1961-1962 as the *Murray Bay*. They ran it for a year, and then they sold it to us. I don't know what the arrangement was, but we ended up owning it. It was our only full-size Seaway ship and remained that way for the next 24 years, until 1985. Again, we needed to do something. Our fleet was old. We didn't have big enough ships to really compete effectively in the long-haul grain business, in the long-haul iron ore business.

We had smaller ships. We had 600 footers that had the same crew size as the bigger ships. Obviously, the economy of scale was not there, and we didn't have the efficiencies. We had to do something. There was still the subsidy, and again we may have to research the history of the subsidy, which was the subsidy to the shipyards that emanated from the Second World War to retool the fleets. There was some federal subsidy to the ship builder that lowered the price net to the ship buyer.



EE: I should maybe know that, having been critic for ship building in the NDP caucus at the time. In fact, you and I were on a plane once, was it coming back from Ottawa or were you in there working on the subsidy by any chance? I remember sitting beside you on a plane out of Toronto.

RP: CSL still had one ship to build under this subsidy program. They weren't going to build a ship. So they asked us if we wanted to build a ship, because it was going to employ their shipyard. So obviously there was something in it for them. There was a subsidy to them that knocked some of the price off to us. We didn't get the subsidy the shipyard got it, but it netted to us at the end of the day.

We had a board meeting. We very much operated as a board of directors at this point. Moving into the '80s and '90s, we had a much more active board of directors because we had now third generation here, second generation in Winnipeg, and we had to all work out how we were going to go forward and operate this company. We chose to do it through a more active board of directors, not without any real outside directors, but certainly with our CFO and others who could crunch numbers and help us think our way through some of these bigger financial decisions we were making.

EE: This is the ultimate board decision, isn't it? Whether to buy another ship?

RP: This is the ultimate board decision. This is a \$30 million decision that we are going to make here. We make the decision. We negotiate the financing with our bank, the TD Bank, and we build the ship which ended up being the *M.V. Paterson* in Collingwood, the last commercial ship built in Collingwood before it closed. There was a small coast guard vessel built after us, but we were the last large side-launch, full Seaway size ship built at Collingwood.

EE: When would it have been launched?

RP: April of 1986. That is the oil painting of it out there.

EE: I visited that yard. It may have been '86 or '87. I wonder if I visited the yard while that ship was under construction?

RP: You would have seen the little coast guard boat there. That was the only thing that was in there after us and then they closed. We built the *Paterson*. Now we went from a circa 1962 bulker to a state-of-the-art ship, single engine ship, super structured all aft, and come up with a block coefficient on this hull, working with the Seaway to maximize the capacity within that concrete block, which is the lock.

EE: The biggest ship as you could get through those locks?

RP: We set the record for wheat. We set the record for barley. We set the record for ore. I understand it is now the *Pineglen* owned by CSL. I understand they have now reset, they've broken our record with wheat, I think. They have done it again. How they have done it I am not sure exactly, but they have been able to load a little deeper, a little less clearance over the sill going into the locks. [Laughs] We built the *Paterson*, and we had the Bethlehem business. Grain was iffy in those days and sales were difficult. I think at that point, and you may remember this, Ernie. When did Jimmy Carter--. When did the Russians invade Afghanistan?

EE: That would be earlier.

RP: Early? In 1982 or 1983? We had the Russian embargo, and that is when Thunder Bay really hurt, and it hurt everybody.

EE: Carter was succeeded by Reagan in 1980, I believe. So this is the late 1970s, then, if Carter imposed the amendment?

RP: Yes, I think it is more in the '80s though. It wasn't the '70s.

EE: It maybe Reagan than?

RP: It was the 1980s for sure.

EE: It must have been Reagan then.

RP: It might have been, but I thought it was Jimmy Carter that imposed the Russian embargo, when they invaded Afghanistan. But that was like a light switch for Thunder Bay. We were moving 5 million tonnes a year just for the Russians alone out of here. It was like somebody turned a switch off and it ended. That hurt everybody.

We had the ship built now in 1985-86 and it took delivery in '86. There had to have been 3,000 people in Collingwood. There is a society in North America called The Side-Launch Society. People were coming to see this last side launch. It was quite an exciting event, a day, took delivery of the ship, ran the ship.

You asked about bankruptcies earlier. I mentioned a company earlier on called Hall Co., which was owned by the Augsburg family out of Ogdensburg, New York. They were Canadian owned and operated ships out of Montreal. They competed right with all of us in the Seaway business. For all intents and purposes, they were a Canadian company, apart from their ownership. They had

problems, and they brought three German ships in that were built in 1959 and brought them into Canada, cut the engine room off, and rebuilt the fore bodies and made them into Seaway grain-carrying ships, and obviously took on a lot of debt to do that and got into some trouble. They had some tragedies on the ships with fires and different things that happened to them. A long story short, they eventually were in receivership and the Royal Bank was running those ships. Paul Martin was president of Canada Steamship Lines then. His bank was the Royal Bank. He kept trying to convince The Royal Bank that, A, they should not be running these ships. They are not safe, and, B, they are not helping their client's lot in life, being Canada Steamship Lines, because they were not exactly being a positive influence on freight rates. Really the bank was working against itself by doing what it was doing. Plus, they had some pretty lofty idea about what these ships were worth, and they were wrong. Paul finally convinced them what he thought the ships were worth. He was right and convinced them that they should sell the ships. So, four companies got together to buy these ships from the bank from the receiver that was Misener, a private family company out of St. Catherine's, Paterson, Upper Lakes owned by Jack Leitch in Toronto, and Canada Steamship Lines. There were seven bulkers.

EE: You split up the fleet then, didn't you?

RP: There were seven bulkers and one self-unloader. The self-unloader was automatically taken by CSL. It wasn't even on the table because I suspect that they just didn't want to see Paterson or Misener with a self-unloader. Certainly, in Paterson's case, we had no use for [it]. You could not go out and book a lot of reliable business with one ship. If you had a breakdown, you couldn't service the contract. So it didn't make sense to have one. They were very expensive to build. They were another \$10 to 15 million more than a bulker.

We sat around a table, and we divided up what ships everybody wanted. We came up with agreed values of the ships. It was somewhat historical in the sense that if we go way back before my time to a company named Papadakis, they had four ships in the early 1960's that they sold before they got out of the lakes business. Upper Lakes bought those ships. Apparently four ships for \$25 million back in the--. And people said, "You would never see that again! Never, never see that again." We as a consortium bought seven ships for far less than that. I learned a lesson there. It is okay to buy a \$1.8 million ship and have low capital input and then get on with the business. It is okay to do those things!

So, we sat around this table, and we all agreed, and we started negotiations. The big negotiation was the value of the hulls and agreeing on the prices. We would go forward and go backwards. Somebody would come up with this. It was a messy affair that went on for a couple of months. We finally all agreed, and then at the 11th hour, before we went to make our offer to the bank, the Upper Lakes contingent walked away and said, "We are not interested." I think, and this is where I might have ticked Restricted, but I think that the owner of that company thought that by walking away, he would have put financial burden on Paterson and/or

Misener to take another ship—because we were only going to take two—to take another ship each and see if they could break one of our backs.

EE: Drive you to bankruptcy?

RP: Drive us to bankruptcy. It ended up that Misener did take an extra ship, and we took an extra ship. They did go bankrupt, but they went bankrupt for a number of reasons. They had built some expensive ships in Scotland in partnership with Richardson's, so they were over extended. The markets were weak, and they took a bigger capital expenditure on this particular acquisition. Probably for reasons that I don't know, it all culminated in them unfortunately not being in business anymore. Perhaps one could say that the owner of Upper Lakes at that time, his plan worked.

However, it backfired in that now we had five full Seaway-sized ships—not one that we had prior to 1985. Now by 1988, we had five full Seaway-sized ships. Now we are a player with Wheat Board. It is what really carried us right through the '90s. We got into trouble because we were dealing with this embargo. We are dealing with a drought in '88-'89. We were running ships not very scientifically or wisely, trying to make market where there were not markets. We were losing money, and we managed to not be in default with the bank and get through it. But it was difficult. My grandfather had tough times, too. He was always one step ahead of the bank. It wasn't all rosy for anybody.

EE: In the larger economic context, the early '80s, when you became responsible here, was the time of the Paul Volker depression, if I may push it that far, high interest rates, and all sorts of craziness happened. The world almost came to an economic [inaudible].

RP: When we were building the *Paterson* our interest rate was astronomical. People would not even be able to fathom that interest rate double-digit numbers say at 16 percent or something, just unimaginable today to try and finance that kind of debt.

EE: But you survived that?

RP: We survived that.

EE: Then in the early 1990s I call this "Michael Wilson John Crow's Recession" for Canada when they did a number of things such as NAFTA, the goods and services tax trying to wrestle inflation down to zero, in John Crow's case as the chair of the Bank of Canada, and yet you survived that. Did that recession impact you or did the grain trade continue without--?

RP: We always had difficult times with there being enough cargo, to the point where we brought in outside help. We brought in outside consultants to help us re-think our business and to re-plan our business and to be better budgeters and better planners of what ships we would need and how we would crunch the numbers to make those decisions. We became a much leaner and tighter operation. We went through tough times. I had to go to Montreal and close the office there.

EE: When did that happen?

RP: That was in '90-'91, the early '90s.

EE: It was this time of recession that that happened. Was this because there was a decline in the business that you had to do it?

RP: There was a decline in the business. We were still reeling from the drought. We could not employ all the ships. We had to cut our expenses back. I coined it as the benevolence went out of the family business at that point. It was very difficult. We were in fact very benevolent. We were very kind and generous to our employees. It was difficult because we really had to tighten things up. We had to fall out of love with our assets. It's tough in a family business. You equate everything to ships, the lore of the ships.

EE: Did you send the ships into ocean business at all, or did that require the self-unloaders?

RP: We did. We had built two ships at Collingwood when my father was still alive, the *Ontadoc* and the *Soodoc*, which were about 7000 dead weight tonners that could go anywhere in the world. We did put cranes on them. We put cranes on the *Soodoc* eventually, so that that ship could be employed in the paper trade in the winter or anywhere, if we wanted to try to keep a ship going in the winter. In fact, we went so far as to compete later on that we re-flagged those ships in the winter and put foreign crews on them, which was fun dealing with the unions on that.

EE: Which flag of convenience were you using flying? Where did you register?

RP: I think we had Nassau at one point.

EE: Near Bermuda?

RP: Yes. Nassau. We had a Bermuda flag. That is the only one I can remember now.

EE: But the bulkers didn't do very much of this? [inaudible]?

RP: These were the last two smaller ships that the Montreal office was operating, were these two. We actually ran them in the Mediterranean. We ran them in South America, predominately in the winter months. It wasn't a very lucrative business.

EE: What happened then through the '90s because you were operating for another decade or a little bit more?

RP: Through the '90s, we had this good backhaul, the Bethlehem business, which allowed us to then quote, really bid, more of the down-bound grain business that put us right into the market. We didn't run the full fleet. There was never enough business for five 730s. We really ran three or four. We would obviously deploy our most efficient ship, second most efficient ship, third most efficient ship. In those days, it was the *Paterson*, the *Cartierdoc*, and the *Windoc*. The *Cartierdoc* and *Windoc* were two of the Hall Co. that we bought. They were two ships of the ships they bought, the German ships that they had rebuilt. They were very efficient, and they were single engine, old Burmeister & Wain engines that ran on 180 fuel that was the cheapest fuel, 20 to 22 crew. They were hugely efficient ships.

EE: Hall Co.'s bankruptcy really was a gain for you at that time?

RP: Was our boon. It helped us.

EE: The least efficient ships were left tied up?

RP: We had two ships tied up here for much of the '90s. One of them was the *Quedoc*, which we renamed which was the old *Beavercliffe Hall*. It was a Fairbanks-Morse. It was a traditional ship for-end wheelhouse, aft-end engine room. It was burning diesel, and in the '90s it wasn't very efficient, so it never really left the wall. It was hard to come around to that, to think that that ship should be out running, even it didn't make financial sense.

EE: You look out the window every day and the ship is sitting there.

RP: Yes, and they were there forever. When we understood our numbers better, we knew that it shouldn't be running. It had to be sitting here, as sad as it was. We had to downsize this office. I had to let people go here that I had worked with for a long time. That wasn't easy, but we had to get efficient, and we had to downsize. We basically had to run with the bare minimum number of people. We had wonderful people. We had very dedicated, qualified people with one person running each department at that point. They would spell each other off. They would figure out their own holidays. They were self-motivated. It was easy to manage quite frankly.

The '90s were difficult, and it was a real transformation on how we viewed the company and how we operated the marine division. We had to really sit up and take notice and change and bring in outside thinking, which we did freely and openly. Didn't profess or pretend to think we knew the best way to do it. We were able to take advice. It worked for us.

EE: Eventually was it attrition to the end? You made the decision at some point to wrap it up?

RP: When you spend time looking at your fleet under a microscope, and the efficiencies of the fleet, and the cost of rebuilding the fleet, and the fact that these opportunities for buying second-hand ships—and really, the Hall Co. was the last big opportunity—I am not saying there are not some in the future, but certainly for the foreseeable future for us we couldn't see how anybody else was going to sell us used tonnage to keep us in business, as competitive as it was. When we scraped, when we retired a ship permanently, we didn't ever let it operate back against us in the lakes, and nobody else did either.

EE: They went to the scrapyard?

RP: They went to the scrapyard, or they got sold offshore. Whatever happened, they did not compete against us.

EE: Did Paterson only build one or two ships overall in that history?

RP: Oh no, we built lots of ships.

EE: You built ships earlier?

RP: We built ships in Quebec City at Quebec Ship Building, and we built in Collingwood. We built ships in the UK.

EE: You had quite a number of vessels that were new? The initial start for N. M. Paterson was buying vessels?

RP: I mentioned earlier the Interlake Steel Company. My grandfather bought ships from them in the '20s, and they were called the Star Ships, the Star Fleet, because they were named after consultations and/or stars. My grandfather bought a number of ships from them. We would have to look up the number in the history, which really got him into the lakes business in a real way. So, that's how we started. He started not by building ships, but he started by buying existing tonnage. He did build ships in the UK with an idea that he had in the days when, prior to 1959 when it took two ships to do what one ship does today, he would load grain in a 600-footer here. You would offload in Buffalo or Port Colborne, and then transfer to the smaller canallers, which we called them, the

300-footers. They would canal down the Welland Canal and the old Soulange Canal to Montreal. Then they would go the Lower St. Lawrence.

EE: The 600-footers could handle Eisenhower locks at Ste. Marie but then the Welland Canal and the lower Seaway was the--. Until the Seaway canals were built I guess?

RP: Until 1959 was the opening of the new Seaway.

EE: Yes, and then suddenly you have 730 feet along the whole route.

RP: Next year, I know the Seaway was planning a big 50th anniversary celebration, which is coming up next year for the opening of the modern Seaway, as we know it today.

EE: You came to the decision then to get into the 21st century to wrap it up?

RP: Yes, that's right. We really put ourselves in a sunset mode at that point because we couldn't see ourselves building a ship. We were not going to be able to acquire used tonnage. We couldn't acquire tonnage offshore that would lend itself to canalling. It was a very different kind of ship operation. So, we made a decision that at some point we would get out of the marine business, but it wasn't going to be for a while.

And then, August 11—8/11/01—we had the *Windoc* incident in the canal, which really triggered a whole bunch of events that saw us sell the remaining operating ships to Canada Steamship Lines and the share sale of our 50 percent—my younger brothers and me—to our cousin in Winnipeg. That took us out of the business entirely.

EE: The *Windoc* incident. I remember vaguely, but you might tell us about it?

RP: The *Windoc* incident was that we had the ship loaded here five holds—three holds for the Wheat Board and two holds for Robin Hood out of Minneapolis—down bound for the lower St. Lawrence and got into the Welland Canal. The bridge operator at one of the center lift bridges lowered the bridge on the ship as it was passing and knocked the wheelhouse off, knocked the stack off, sent it rudderless down the waterway. It went aground and got a hole, caught on fire. Nobody was hurt.

My brother Alexander and I received a phone call from Nancy McLeod, our paymaster, to say she just heard from the captain, Ken Strong, this had happened. We were aghast! We had our manuals and went into emergency mode, called marine safety, called



lawyers, and called whoever. We chartered a plane here with my two superintendents. I was on the ship by 5:00 AM. We flew to Toronto and rented a car and got there. Luckily nobody was hurt, which was the first question anybody heard. Nobody was hurt which was quite miraculous.

Somebody happened to be standing there with a camera and taped it, and it is still on YouTube today. As I said, that triggered a number of events that eventually took our side of the family out of the business entirely.

EE: Did the Seaway Authority compensate you for the damage done? I presume they were the ones responsible?

RP: That settlement that discussion carried on long after I ceased to be a shareholder. So there was some agreement reached. There was no admission of liability and no admission of guilt. It never went to court, but clearly, we were not at fault. But it really didn't ever come to any sort of successful conclusion, I don't think. Although there was settlement, there was a financial settlement.

EE: Did you also have insurance?

RP: We had insurance. It was a constructive total loss. We had to abandon the voyage. We could not continue. The cargo owners had to then take over, as is marine law. Their cargo insurance kicked in. They then had to figure out how to get this grain down the river.

EE: It becomes quite an experience. I am sure!

RP: It was quite an experience! Rightly so, the Seaway would not allow a large, dead, fully loaded ship to be towed down through the Seaway. It is just too unwieldy and too dangerous. They had to figure out a way to get this cargo off this ship somehow and get it down to Montreal, which they did. They eventually got it done. We helped as much as we could, sitting in this room on the phone every day. And of course, that was 8/11/01 and of course we know what happened exactly one month later—the bigger world issues!

EE: Yes, isn't that ironic? We have spent a good deal of time, appropriately, traversing the career in connection with the grain trade. I suppose with the sale of the division, did that remove you entirely from any involvement in the grain trade?

RP: Yes, it was a share sale. It wasn't a division sale. It was a share sale.

EE: You sold out of the business?

RP: We sold out of the business. A person buying a share takes all the liabilities and takes all the assets, takes everything. It is a very clean kind of transaction. That is where we ended up in the first decade of the 21st century.

EE: What would you like people to know? You have told us a great deal about your life in the trade, in various aspect of it. What would you like people to know about the work that you were doing? If someone went searching for those brief clips on things?

RP: This might be more about me, but it is more about family business, family business. I think we were and continue to be a very successful family business, which bucks the trend. I remember being in Montreal and Bill Rattray saying to me that somebody was in town who was quite a senior executive from a large company from England, and he wanted to meet a Paterson. So I went and had lunch with him in Montreal. I was pretty green, but we talked about things. I don't really remember the whole conversation, but I remember him saying to me--. And I had never heard this adage before about first generation building a company, second generation nurturing a company, and third generation running it into the ground. Of course I was third generation, and I was not an owner yet.

EE: You were not impressed?

RP: I was somewhat put off by that comment. But I made a personal note in my brain that that won't be me. It ended up not being me or my brothers. We were able to work together and work with our family in Winnipeg and successfully continued this family business, which this year marks the 100th anniversary of the company, which is very exciting, although ownership has changed. As third-generation member, we continued to employ people here in Thunder Bay and to run the ships, and keep that legacy going, and meet so many people that my father knew. I was very fortunate to really follow his footsteps, follow in a very pleasant wake, because he was well liked by everybody in the business. Everybody always had wonderful things to tell me about him and how much they liked him. It made it easy that way. If you made a commitment to yourself to be friendly and liked, you could get by in the business. I guess I had that knack!

EE: Would you expand a bit on the family, part of it was in Winnipeg, the two brothers, I guess, was it?

RP: I am going to digress a little bit. An association that developed through the '80s and '90s, and I don't think it is around now, is in Toronto. It was called CAFE, Canadian Association for Family Enterprise. What is all about was bringing family members of family-owned businesses together to talk about inherent family-owned business problems and what happens and why does it happen. What is the value of proper estate planning? What are the horrors of improper estate planning? And all that sort of thing. I

joined it as one of the founding members and went to meetings, and listened to speakers, and learned a lot about the fact that it is not easy, and we are not the only ones dealing with this. There is a way to succeed in family business.

My grandfather having had six children—four daughters and two sons—the way he thought there was no room for daughters in the business. They had to make their own way, which they did very well. The two sons came home from war—my father John and my uncle Don—came home. Don went to Winnipeg in the grain side, and dad came to Fort William in the marine side. One of the reasons I believe that the company succeeded is because we had these two distinct divisions, doing quite separate things in two cities, where if by chance say two people didn't get along—and I am not saying this was the case—they didn't have to get along for the most part. They were not in each other's back pocket. They were not living together. They were making some decisions together, but they went along and lived their own lives. But ran this family business, as well as the fact that my grandfather was still alive. My father never worked a day in the company without his father being involved. My father died two years before my grandfather.

EE: It was always N. M. Paterson & Sons?

RP: It was called N. M. Paterson & Company and then he changed the name to N. M. Paterson & Sons Limited at some point around the war. He obviously had plans. I don't remember the exact date. Again, we have a chronicle somewhere. Because we had these two distinct divisions, it lent itself to our success, certainly in third generation instances where I was able to get along well with my younger brothers, Donald and Alexander. That was not always the case. There was more friction dealing with cousins. Because we were in two distinct divisions and we were not making decisions together all the time, but we did become more of a board-of-directors-operated company, we were able to seek more advice. It worked, and that is why it worked. I think it worked that way because of our separation, somewhat. The way this company was structured, despite the fact there really wasn't really great estate planning all the time, we survived it.

EE: Yes, quite clearly. As you say, the business continues and on you go!

RP: The business continues.

EE: What might interest or surprise people most about the work that you did?

RP: I don't know.

EE: What are you most proud of in the work that you did as an alternative question, using the basic questionnaire?

RP: To have had the opportunity, to have made the decisions, to expand the marine division in the '80s when we did, to have taken the risk to acquire and/or build ships, re-engine ships—not all great decisions but mostly good decisions—to have survived bad decisions—I made a few of those—but to have had the opportunity to really work in the business and to do the traveling I did. It was interesting. I lived here in Thunder Bay, but despite the fact that we had subsidiary companies here, I didn't really do any business here. My business was always elsewhere. There were some suppliers here for the ships, but most of them were in the Welland Canal.

So we didn't really do a lot of business here, although, we maintained a presence here, a corporate presence. Of course, we have the Paterson Foundation that still continues a long philanthropic legacy for my grandfather that we will maintain in perpetuity now, which keeps certainly his name to the forefront. My brothers and I are very happy to be able to carry on the Paterson name in the community through the Foundation, even though we don't have any kind of corporate or business presence here anymore, which is sad in a way.

EE: That Paterson Foundation was in a sense a product of the grain trade I take it?

PD: I would say it was. Absolutely!

EE: When did he establish it, your grandfather?

RP: About 1970 probably for tax-planning reasons. He would probably personally flow money through. It didn't have a portfolio or anything until, in fact, he died. That is when the portfolio grew because everything of his went to the foundation. Donald is the president of the Foundation. He would know more intimately the details of the history than I do. I think 1970 was about when it started. He had three charities he supported was education, health, and religion. That gives us a guideline. We have been able to carrying on, but the requests that people receive today in foundations go far beyond that. So you have to sift through those requests.

EE: There wouldn't be any doubt in your mind that what you did contributed to Canada's success in the international grain trade?

RP: No, I think it did contribute, very much so. We were good operators. We were always able to do what we said we would do for a customer. That's something that I always took great pride in, which built a lot of trust for us—the trust in the name that my father was able to create, and Jim Sutherland, and those people that worked with my father. I was able to continue that with the people I had working in the company and with our basic, honest lives that we lived. We didn't lie and we didn't not deliver.

EE: You didn't cheat and so on?

RP: No, we didn't.

EE: Right. One of the questions is the connection between your work and the work of farmers growing the grain handled in the grain trade. Obviously, this would be more Uncle Donald's part of the business in Winnipeg, I am sure?

RP: That is right because they were interfacing directly with the farmer on behalf of the Wheat Board, as a warehouse. The business has changed today. Andrew is much more aggressive. The new owner of the business is much more aggressive and much more diversified than we were back through the '50s, '60s, '70s, and most of the '80s, I guess. That industry was rebuilt with the new high throughput elevators when I was still an owner. That was all very exciting, to change the face of the delivery points in Western Canada, which revolutionized it because these 10,000-tonne-capacity high throughput elevators grew the catchment areas 10- or 15-fold probably. Whereas those little points used to only deliver five or ten miles away. Now it was straddling provincial borders to deliver, and it was competitive pricing.

EE: And depending on provincial highways. Of course, one of those country points, Culross, is one that I knew well, having grown up near it. My father always sold grain through it all the years to the N. M. Paterson elevator in Culross, even when he was farming north of Elm Creek with an additional 240 acres. I am guessing it may have still have gone to Paterson.

RP: We talked about N. M. Paterson getting into the shipping business by buying existing hulls. He did the same thing in the grain business. He bought up either bankrupt or whole companies of primary elevator systems. It was what got him involved in the grain business in a big way.

EE: In the midst of the great war, wasn't it? Culross was acquired very soon after that initial purchase. What did you see as the major changes in your job in the trade over the years? You have in fact sketched various phases of the business.

RP: I think my biggest challenge was to survive, whereas in my father's day, the pressure wasn't there to survive. It had been a much more consistent longer-term business. Things changed far quicker from let's say about 1980 forward than they had in the previous 25 or 30 years. I don't know what my father would say about that. We became cost watchers. We really couldn't go out and dictate a freight rate. We really had to watch the expense side of our ledger.

EE: You were price takers?

RP: Now everybody watches their expenses, but we were much more benevolent in the previous decades. But in the latter decades or the '80s and '90s, we really had to be less benevolent, and be cost watchers, and look at every single expense item in detail which was never really done before because it didn't really have to do it. The business was always there. But the way the world changed, and the way Vancouver and the Pacific Rim developed, and the way rail rates were manipulated, Thunder Bay was challenged. The Great Lakes St. Lawrence Waterway was challenged, was challenged in a big way to continue to be a major outlet for grain in sufficient quantity to maintain the fleet. I think the challenge for existing ship owners today is to be able to keep their fleet healthy. Where they are going to build or acquire ships, I don't know, as well as getting competent Canadian crew, where it is a very invisible industry. You don't hear kids saying they want to be a ship's captain today. You just don't hear that. There are community colleges and there are marine colleges that are still putting out competent people. But I think there are some big challenges coming again still looming up before existing ship owners today. It has changed a lot in the last 30 years.

EE: The other companies, your competitors, were all based elsewhere. You were the only one based here.

RP: We were the only one here.

EE: Firm based here. What sense do you have of the community's awareness of your being here as one of the competitors on the lake trade?

RP: I think that awareness has waned quite a bit because the old school is not here anymore. Those people who had a relationship with my grandfather and my father just are not here anymore. When you lose those people, you lose that awareness. We are not here anymore really. The only presence is the Foundation.

EE: Yes. Your grandfather had various business connections in the community as well.

RP: Oh yes!

EE: I suppose radio and the Royal Edward come to mind as two examples of that that are fairly common?

RP: Lumber and fish net companies. One of the things that I used to quite enjoy being here was that we saw our ships and our crews a lot because they always came back to load here. So, I would make a point to go down to the ship and talking with the captain, going on the ship. We were always given an opportunity to see our people, whereas if you had an office in Montreal, or you an office in Toronto or St. Catharine's, you didn't see them as often. You had to go more out of the way. This was a great place to be in that business because ships called here regularly.

EE: The ships were unionized, I guess? The sailors were unionized?

RP: Yes, three unions on the ships. The unlicensed were the Seafarers International Union led by the infamous Roman Gralewicz out of Montreal.

EE: The whole history of that we will not get into.

RP: That's right. The mates were the Canadian Merchant Services Guild, the CMSG, and the engineers were the CMOU, The Canadian Marine Officers Union. We always negotiated with three contracts.

EE: Were those the only unions that you dealt with through and out of this office? I don't suppose the work force in the office was unionized?

RP: No, we were not unionized in the office at all. Those were primarily the only three we dealt with. Periphery to that, of course, we had Seaway workers. We had pilots. There were other bargaining units, waterfront people, steel company had union people operating cranes. So we were always exposed to all that. Our direct negotiation through the Canadian Lake Carriers Association was with those three unions.

EE: You were dealing as a, if I may use the word, as a cartel here?

RP: Yes, we had an association called the Canadian Lake Carriers Association had an office in Montreal, had a full-time general manager that dealt with contract issues and labour issues. We would have a representative team that would negotiate those contracts every three years, every five years, whatever the term of the contracts was. I never did do that.

EE: As far as the activities on the ships were concerned if grievances arose, I suppose the unions would have their stewards? Would they deal with the captain of the ship, or would they go all the way up you?

RP: The grievances would originate on the ships for whatever reasons though. They would find themselves to our office here. They would be dealt with by our paymaster here, downstairs.

EE: The paymaster would be dealing with SIU rep or whoever?

RP: The paymaster was ultimately familiar with the three contracts, page-by-page and clause-by-clause, and would handle those grievances and would get some help with it because, in fact, that was what the Canadian Lake Carriers Association did as well. They would facilitate dealing with grievances, particularly if grievances were common across a couple of fleets. I always remember Roman Gralewicz's words, though. He said, "Don't come to me with an issue if it is not in the contract. Just do what the contract says. I will support you if it is in the contract. If you are trying to do something outside the contract, go away." He was right.

EE: That is fair enough if there is no agreement then.

RP: Very simple if you follow the contract. You negotiated it.

EE: The master and servant situation would apply outside the contract?

RP: Yes.

EE: How much of the workforce lived here at the Lakehead?

RP: Not a lot. We had a lot of eastern Quebec people and a lot of Newfoundlanders, fewer and fewer all the time. They certainly were people from Thunder Bay but fewer and fewer all the time, as they retired. There wasn't a big workforce out of this port.

EE: You are talking about challenges rather than changes, which are fair enough. What major challenges do you think that the industry faced over the years? Do you want to add to what you have already said in that regard? How were these challenges met?

RP: Crew costs are a big challenge—crew numbers, crew costs. Over time, owners were able to, through negotiations, reduce crew numbers, which hence reduced costs. Obviously fuel costs, inability of countries to pay for grain, there were whole hosts of problems. I can't think of any.

EE: The first ones are the obvious ones for the marine division.

RP: Complacency on a part of our government about the industry, no policy at the government level about the marine industry in Canada. There is the Canada Shipping Act, but it is pretty antiquated. There never was any real modern policy thinking for the industry. We were always going on bended knee to the minister about an issue that they really didn't know very much about, didn't really care much about. A lot of complacency still exists I believe.



EE: If I were to toss an anecdote in from my side those several years when I was criting for shipbuilding, I remember going to the annual banquet one year for the ship builders' organization.

RP: The Canadian Ship Building and Engineering.

EE: Probably be the association I was attending. I don't remember with whom I was sitting, but I remember him saying to me at one point, "I have got to hand it to you guys in the NDP. You have had a succession of critics." I remember one Ran Harding who was the NDP for Kootenay West when I was living in Nelson, BC, serving as critic. I thought to myself at the time, what the hell is Rand doing as critic for shipbuilding, when he is right here in the interior of BC? When I had the chance, I asked Ed for the opportunity to do this.

Back to my mate at the dinner, he said, "I have to hand it to you guys in the NDP, you really care about this industry. You do your best to improve the circumstances to press the Federal Government and try to get action on a strategy. My hat's off to you whether you were succeeding or not." That is on the other side in a sense, the builders and the dry docks.

RP: Canada, after WWI, Canada had a policy of not having shipbuilding, letting the country rely on outside shipper-carriers and not really fostering a healthy shipping industry. It wasn't until WWII when we had to ramp up building, that suddenly we had the second-largest maritime fleet in the world, I think, at the end of WWII or the largest.

EE: I think it might have been the fourth largest navy as well.

RP: At the end of the war. Those ensuing decades after that it took a long time to ratchet all that down to the existing policy of no shipping. Here we are today again with really very limited shipbuilding capability, if any, certainly for a laker, probably none, and still relying on the buying country supply a lot of the tonnage, driven by the Exporters Association. I remember being on a task force, appointed by Lloyd Axworthy, on the Task Force for Deep-Sea Shipping, which was run by Gunnar Sletmo. Do you remember that name?

EE: The name sounds vaguely familiar.

RP: Professor Sletmo, he headed up this task force. The whole idea was to look at UNCTAD [United Nations Conference on Trade and Development] and 40/40/20-type sharing of shipping and putting an argument of why we should or shouldn't have a deep-sea fleet. The exporters associations carried the day because they said don't ever encumber us with having to use dedicated capacity Canadian-owned-operated man capacity, as your costs will go up.

EE: This is where you were impacted by the global situation flags-of-convenience ships registered in Panama and whatnot controlling the business on the ocean with the blue water fleets were all low costs fleets, as they are to the present day with crews out of the Philippines.

RP: Their freight rates, I haven't followed that closely. Just with China becoming the power it is, freight rates are astronomical! It affects us in the Great Lakes because ships just don't come here. If they can get \$200/tonne on the Pacific, why would they come here? Ships do come here if we have to bring steel in or take grain out, but it is almost an afterthought. We are challenged to be able to bring enough tonnage into the system now, be in foreign, to really carry all the cargo that needs to be carried. We are affected by world market.

EE: Clearly no domestic strategy--.

RP: One of the things I used to say when I was involved with the Chamber of Commerce here and the different things I did when I moved back here was I always tried to make the point that we live in a port city. I always talked about the port of Thunder Bay because so many people don't think about the waterfront. They look inland. They don't look at the lake. They don't think about us as being a port city. They don't think about those seven Filipinos they see walking along Memorial Avenue that have just gotten off a ship from who knows where. They are bringing some business to our community.

EE: We had a student at Lakehead University who was pursuing a master's degree in history in the early 1990s and she was a first mate, mate's papers for the fleets. She asserted that Thunder Bay was not really conscious to the fact that it was a port city, that business was being done in and out of this port. I don't know if she felt a nobody, I guess, in the city despite her qualifications.

RP: We don't offer any kind of marine maritime training here. It is done at Georgian Bay to a limited extent.

EE: The SIU building is now a sports shop on Simpson Street. You have probably been in that building when it was serving as the SIU?

RP: I never was actually. I had no reason to go there. [Laughs]

EE: I was in there once anyway, a very pleasant place but it isn't that any longer, with the parking lot serving for the customers of the sports shop. What are your most vivid memories about your job?

RP: Blurred by late dinner? [Laughing] I guess it is the people. I met a lot of wonderful people, really liked the people in Cleveland. I really grew to like Cleveland. A lot of people say, “Cleveland, why Cleveland?” The people in Cleveland were really nice. My memories were travelling and making contact with people and enjoying the people in the business and hearing the lore of the industry of those that went before us—all their stories.

EE: This was the steel industry.

RP: That was the steel industry in Cleveland and then the coal industry there. Steel and coal and all of that have changed now. Having really very good employees, dedicated employees, and I mean that quite sincerely. I was very fortunate to have really very good young people here that made a career of it that was sadly interrupted midstream. I think it was the people. Vivid memories are tied to what I miss today because people ask me if I miss it? I say I miss the people. I miss some of the events. I don't so much miss the vagaries of the day-to-day shipping business, quite frankly.

EE: The challenges of making money and that?

RP: My vivid memories are the travel and being a ship owner and loving the ships and being on the ships. I didn't take a lot of rides on the ships, but I did do that.

EE: There would be a certain charm in owning ships and having paintings of the vessels of a stormy sea or a stormy lake hanging on the wall. Those are rich memories.

RP: I was fortunate enough to actually get to know my grandfather. He lived to be 100 and 10 days. I think his last goal in life was to be 100 years old, and he made it! He died shortly after that. I was sent away to private school in 1964 at the age of 13, and my grandmother and grandfather were alive and living in their home on Wilbrod Street in Ottawa beside the Russian embassy. I was at Ashbury College in Rockcliffe Park, and it was walking distance for a young guy. I would go there for Sunday lunch. I had an opportunity to just one-on-one really to be with them quite a bit. I have certain very vividly memories of that still today being there and how lucky I was to have been given that opportunity to know both of them, whereas a lot of my family didn't know them and didn't have that opportunity like I had.

EE: That is richness! I am the oldest grandson on my mother's side, and I lived with my grandparents as an undergraduate for three and a half years in Winnipeg. It is somewhat similar to you in the early 1960s. One ends up knowing them in a way that others don't. It produces a very rich memory indeed!

RP: Another vivid memory or fond memory is the company tied the family together, the different generations. That is lost now, which is inevitable anyway, but it is lost with the demise second-generation Paterson family members. But it was a real binding effect. Everybody loved the company, whether they were an owner or not, everybody loved the company, loved the lore of the company. It had a tremendous binding effect within the family, certainly amongst all of my aunts and my uncle. I got to know them, too, by being in Ottawa. It was a wonderful company. It still is a wonderful company. It is just changing.

EE: Did you have a sense that your grandfather being a senator was of any value to the company? The Senate position right and he himself obviously?

RP: Well, I don't know. I don't think it did. I don't know what happened in those early days. Anything could have happened I suppose. I was not privy to that. I don't see that whether would that have enhanced his relationship with the Wheat Board? It might have. It might not have. It could actually work against you.

EE: He sat as a Liberal Senator, I suppose?

RP: Yes, he sat as a Liberal appointed senator, a Mackenzie King appointee.

EE: This would mean that he could attend, and probably did attend, the weekly caucus meetings. You wouldn't have any way of knowing if he was in any kind of dynamic presence, but I expect when western grain related issues came up, I expect he would express himself?

RP: I know he made speeches in the Senate about grain and the Seaway. I know he certainly used those opportunities to advance the awareness of Seaway, grain, and rail.

EE: His passing coincided almost exactly with the passage of the Western Grain Transportation Act about 1983?

RP: Yes.

EE: Ironic, isn't it?

RP: Yes, that's right, in the same year.

EE: It maybe more symbolic, the passage of that act in terms of the impact on the grain trade through the Lakehead, although I know running in 1984 with Frank Mazur moving by nomination, the chair of Lot 650 of the grain handlers, Frank was certainly happy to tell me about the maybe 1800 members he had in the various elevators along the waterfront. I am told these days if there is one tenth of that [inaudible] 180 or so.

You did refer to the freight rates and all of that and the battle over the Crow in which colleagues of the previous caucus of the NDP fought for the Crow. Members from Toronto were given the notes to fight for the Crow Rate against the changes that the Trudeau Government was bringing in at the time. You were just getting involved as executive vice-president or whatever the title was. Did you get involved personally in that struggle?

RP: I did certainly through the Canadian Ship Owners Association. I have to be careful here because the details are sketchy, but it was understood that the Crow Rate or the freight rate for the railroads was to be used within the area. The area was Vancouver to Thunder Bay and Churchill, I guess. They were actually railing grain east of Thunder Bay on freight rates that were not compensatory as we could see it. We were arguing that they were actually using some of that subsidized rate to get east of Thunder Bay.

EE: Taking them out of your holds in other words?

RP: Yes, that's right, taking them right off the water. We had lots of battles there. But the railroads are very strong lobbyists, so it was difficult to penetrate the Ottawa psyche if you weren't a railroad man. What is a ship owner anyway?

EE: Did you have dealings with CPR or the CNR?

RP: We had huge dealings in the grain division, absolutely! I was anti-rail here. I was anti-rail here because we were competitors, and unfair competitors, as I saw it. But if you were running the grain division, you were buddy-buddy, because when we were building new elevators, you had to have a partnership for 50-car spots and 75-car spots, and that was competitive business for the railroads. The railroads were competing to have those spots. The relationship was very different in the grain division. The railroad was the transportation of choice. It was the only transportation. You had a very different relationship with them there. It was always interesting. As the directors became more involved in the operation of the company, we also had social meetings with the railroad people. Things changed.

EE: I hardly have to ask you whether it is important to preserve and share Thunder Bay's grain trade history since you are one of the Friends of the Grain Elevators. What aspects of the history do you think should be concentrated on in preserving it?

RP: I think obviously there is over 100 years of history, and we need to try to recapture as much of that as we can in this late date. I am concerned that people who can narrate these kinds of stories we need to find them and get that on tape. I think there must be a lot of artifacts out there. I would like to see the preservation of the hardware, of the artifacts and have a home for those to be displayed, which obviously lend themselves to the history of this industry. I don't think people really fully understand and appreciate the value of the grain industry nationally and what it contributed to the growth of this country and what it has meant to this country and still means to this country!

EE: I think it has been more and more neglected over the years. There was a time when perhaps a quarter of the Canadian workforce would have been wheat farmers, a long time ago. Then when the farmers dropped down to one percent perhaps or whatever, it was so easy to ignore the significance of this, certainly politically.

RP: It is a very different society today, and when you look at large urban centers, like Toronto for instance, there is nobody there thinking about the grain industry. There is a growing population of people who don't think about that and don't have a feeling for the grain industry. It has to be preserved like other things are preserved. There is a big story to tell!

EE: That is part of the challenge for us I think, and for myself as a research associate for the institute in that regard. I sit of course in one of the great context of the grain trade at the Lakehead. May I inquire about plans for the future? Will this building be maintained forever with the artifacts?

RP: No, this building is for sale. It is owned by the new owner of the company, as are all the assets that are still here in the share sale. This building has been up for sale for quite a while and how it will evolve I don't know.

EE: And the artifacts and the paintings?

RP: The artifacts are all owned locally, so the artifacts will not go anywhere. The artifacts in this building, which is a bit of a museum in itself, are all local.

EE: It is indeed!

RP: Just as a note, it is interesting we had the National Archives come in a number of years ago, and they marked everything, and they took about 700 boxes out of this office. All of my grandfather's records came here when he closed the Senate office. They came in and looked for things of value, signatures. They actually valued the collection, and they will issue a tax receipt.

EE: The papers have gone to the National Archives?

RP: They have gone to the National Archives. They are all being catalogued and will be available and in there were 9000 photographs of my grandfather's private life and the business life of my father and all kinds of things, which is all on a hard drive now. We have the hard drive with 9000 photographs on it. I went downstairs to the basement here one day thinking it will be empty. But it didn't even look like there had been anybody in there. It didn't look any different.

EE: There are lots of records here then?

RP: Oh yes, there are lots of records here. We are going to be in panic mode if and when this building is sold let me tell you.

EE: Have you given thought to these business records of transferring them to someone here in the city?

RP: We have given some thought. I am not going to commit on tape, because I really don't know.

EE: That is unfair to ask you.

RP: I don't know what we are going to do. I think to keep it there locally would be my personal preference. Some things don't intend to stay.

EE: Thank you very much Robert for what you have told us this afternoon. I think you have been impressed by what your memory contains in the answers that you have given. We are very grateful. You have been a splendid narrator!

RP: I will do it again if there are things that we think of as we go forward.

EE: Thanks again.

RP: You're welcome, my pleasure.

**End of interview.**